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TAGS: [PREL](#) [ECON](#) [ENRG](#) [IR](#) [MU](#)
SUBJECT: OMANI FOREIGN MINISTER READOUT ON TRIP TO TEHRAN

REF: A. MUSCAT 303
[1](#)B. MUSCAT 297

Classified By: Ambassador Gary A. Grappo for Reasons 1.4 (b, d)

[1](#)1. (C) Summary: Oman's Minister Responsible for Foreign Affairs, recently returned from Iran, downplayed Iranian press reports of three bilateral agreements signed during the visit of a senior Omani delegation to Tehran. A Memorandum of Understanding (MOU) on the joint development of the Kish gas field did not signal the conclusion of a final deal, but was an agreement to continue negotiations on the terms of the proposed project. In his meetings with the Omani delegation, Iranian President Ahmadinejad appeared more open to discussing "technical matters" with the West on Iran's nuclear program, but was insistent on Tehran's right to continue its enrichment activities. Iranian nuclear negotiator Saeed Jalili shared the Minister's concerns that the unpredictable behavior of the Iranian Revolutionary Guard Corps (IRGC) in the vicinity of the Strait of Hormuz could provoke an "unfortunate incident" and pledged to "do something about it." End Summary.

[1](#)2. (C) During a meeting with the Ambassador on April 24, Minister Responsible for Foreign Affairs Yusef bin Alawi provided a readout on his recent trip to Iran as part of an official Omani delegation (ref B). Bin Alawi confirmed press reports that three bilateral agreements/MOUs were signed during the visit. In addition to a "cultural" agreement, both countries penned an MOU establishing a "strategic dialogue" to be conducted at a ministerial-level meeting at least once a year to discuss bilateral and regional issues. Bin Alawi attempted to downplay this development, stating that its purpose was to simply establish an agreed channel for official high-level communications with the regime in Tehran. He further emphasized that no agenda had been discussed or agreed upon for the dialogue.

[1](#)3. (C) Regarding joint energy cooperation, the Minister explained that the MOU on the development of the Kish gas field (ref B) - which the Iranian media characterized as practically a done deal - was an agreement to proceed with negotiations on the terms of a final contract including the engineering design of the project, the costs for developing the field, the requirements for the laying of a pipeline, and the ultimate price of the gas produced. Bin Alawi stated that Minister of Commerce & Industry Maqbool bin Ali Sultan, in his capacity as the head of Oman Oil Company, would formally lead the negotiations with the Iranians on the Kish gas field, rather than Oman's Ministry of Oil and Gas.

[1](#)4. (C) The Ambassador made clear U.S. concerns over a potential Omani investment in Iran's gas industry, stressing that now was not the time for business as usual with Tehran. Bin Alawi countered that Oman was in urgent need of additional gas supplies and, given its very limited options,

could not afford not to seriously explore the possibility of importing Iranian gas. The Minister purposely side-stepped an inquiry on the likelihood of Oman reaching a final deal with Iran.

¶5. (C) Bin Alawi shared that there was nothing particularly noteworthy from the delegation's meeting with Iranian President Ahmadinejad, except that the Iranian leader chose to use a very negative term in referencing Tehran's ongoing engagement with the West. The Minister also said that Ahmadinejad appeared more willing to discuss "technical matters" about Iran's nuclear program with the international community, although there was no change in Iran's insistence on continuing its uranium enrichment research for fuel purposes. Without clarifying further, bin Alawi summarized that a "technical channel" to Tehran was open, but that "political" discussions on limiting Iran's "rights" to develop nuclear energy remained closed.

¶6. (C) On his meeting with Iran's nuclear negotiator Saeed Jalili, bin Alawi said that he directly raised Omani concerns - shared by the U.S. - on Iranian behavior in the Strait of Hormuz, referencing the January 2008 confrontation between U.S. navy vessels and speedboats commanded by the IRGC. Bin Alawi continued that he told Jalili that Iran's navy generally operated in accordance with international maritime laws and procedures, but not the IRGC, whose actions he feared could provoke "an unfortunate incident." Surprisingly, according to bin Alawi, Jalili agreed with his concerns and pledged to "do something about it."

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